



FOR IMMEDIATE RELEASE

## Lian Beng achieves record revenue and net profit of S\$753.9 million and S\$127.0 million respectively for FY2014

- FY2014 revenue surged 49.1% to S\$753.9 million on recognition of industrial property, M-Space and progressive revenue from property development projects The Midtown and Midtown Residences, Spottiswoode Suites and Lincoln Suites
- FY2014 net profit increased 38.7% to S\$127.0 million; profit to shareholders improved 19.4% to S\$87.1 million
- Group proposes dividends of 2.25 Singapore cents per share, 80% higher than the dividends paid for FY2013
- Group's cash and cash equivalent stood at S\$176.7 million as at 31 May 2014, ready to fund further business expansion through acquisition or joint venture
- Group expects dormitory business, rental income of properties, and dividends and interests from investments to contribute positively to recurring earnings going forward

SINGAPORE, 23 July 2014 – Lian Beng Group (“Lian Beng” or “the Group”) (聯明集團), a Singapore BCA Grade A1 construction group, achieved record revenue and net profit of S\$753.9 million and S\$127.0 million respectively for its financial year ended 31 May 2014 (“FY2014”). Revenue surged 49.1% year-on-year (yoy), while net profit was up 38.7%. Correspondingly, profit to shareholders improved 19.4% to S\$87.1 million.

Table 1 – Financial highlights

(S\$ '000)	Financial year ended 31 May 2014 (FY2014)	Financial year ended 31 May 2013 (FY2013) (Restated)	%change
Revenue	753,889	505,606	49.1%
Gross profit	142,096	65,033	118.5%
Profit for the year	126,997	91,556	38.7%
Profit to shareholders	87,138	72,992	19.4%



The Group's record turnover was the result of record revenues in almost all its business segments. External sales of Construction segment increased 12.7% to S\$424.7 million while external sales of ready-mixed concrete improved 7.3% to S\$111.0 million. Property development sales topped S\$199.5 million as a result of the full recognition of revenue from the fully-sold 55%-owned industrial property development, M-Space, as well as the sales from property development projects The Midtown and Midtown Residences, Spottiswoode Suites and Lincoln Suites. For the financial year, 55%-owned fully-completed Westlite Mandai Dormitory contributed a full 12 months' revenue of S\$18.2 million.

The Group changed its accounting policy for investment properties from cost method to fair value model to align to industry practice. The change was applied retrospectively and accordingly, the comparative financial statements were restated. The fair value gains on the Group's investment properties were S\$37.2 million for FY2014 and S\$51.0 million for FY2013. Disregarding such fair value gains, the Group's profit before tax for FY2014 improved 117.7% compared to FY2013, depicting the Group's strong improvement in its core business performance.

**Table 2 – Financial Performance Comparison (ignoring effects from fair value gain)**

(S\$ '000)	Financial year ended 31 May 2014 (FY2014)	Financial year ended 31 May 2013 (FY2013) (Restated)	%change
Fair value gain on investment properties	37,242	51,020	(27.0%)
Profit before taxation	141,517	98,923	43.1%
Profit before taxation (minus fair value gain)	104,275	47,903	117.7%

On the results of its FY2014, Mr Ong Pang Aik (王邦益), Lian Beng's Executive Chairman, commented, "We are delighted to have set historical high for both our revenue and earnings for the financial year. These all-time high records are the fruits of the business strategy which we implemented in the past. This successful financial year is testimony of our sound strategy of diversifying our business into related segments such as ready-mixed concrete, property development and investment, and dormitory."



With the good results, the Group proposes a total dividend of 2.25 Singapore cents per share, which is 80% higher than the dividend of 1.25 Singapore cents paid out for FY2013.

The Group's construction order book stood at S\$1.2 billion as at 31 May 2014, with the addition of three contracts worth \$170.0 million comprising Westlite dormitory, The Midtown and Spottiswoode Suites, providing it with sustainable flow of construction activities through FY2017.

With a cash and cash equivalent of S\$176.7 million as at 31 May 2014, the Group holds a sizeable war chest to fund its business expansion further. In May this year, it entered into an agreement to acquire, through a 32%-owned consortium, 92.8% of the aggregate strata area of Prudential Tower, which can provide attractive rental returns and potential gains from subsequent strata sale. In June, it completed the acquisition, through an 80%-owned subsidiary, of a property along Leng Kee Road.

Notwithstanding the present softer residential property market, both the Group's 50% joint venture development projects, The Midtown and Spottiswoode Suites, have achieved comfortable sales status of 96% and 77% respectively.

Looking ahead, the Group's dormitory business segment is expected to continue to contribute to the Group's revenue. In addition, the Group's investment in corporate bonds and quoted securities and properties will generate reasonable interests, dividends and rental income. The Group's new asphalt plant, which is likely to be completed by end-2014, will provide yet another new income stream for the group.

**- The End -**

### **About Lian Beng Group Ltd**

Established in 1973, Lian Beng Group Ltd is one of few Singapore's major home-grown construction groups with integrated civil engineering and construction support service capabilities. The Group is principally involved in the construction of residential, industrial and commercial projects, and civil engineering projects as a main contractor.

As a Building and Construction Authority (BCA) Grade A1 contractor in General Building, Lian Beng can tender for public sector building projects of unlimited contract value, while its A2 grade in Civil Engineering allows it to tender for engineering projects of up to \$85 million in contract value. Based on years of



experience and impeccable track record, the Group has established a reputation in managing large-scale and complex construction projects.

Lian Beng also engages in other construction related activities such as the provision of scaffolding and engineering services, supply of ready-mix concrete, leasing of equipment and machinery, reinforcement bar fabrication, sourcing and management of construction materials and training of foreign construction labour.

Apart from construction, Lian Beng also engages in property development, mostly through joint ventures. Some of its property development and investment projects include OLA Residences, Kovan Residences, 111 Emerald Hill, Lincoln Suites, M-Space, Spottiswoode Suites and The Midtown & Midtown Residences. Lian Beng has also developed and presently operates a workers' dormitory, through a joint venture, at Mandai Estate.

The Group, an advocate for sustainable living, was awarded with the Green Mark Platinum award by BCA in 2010 for its project at 29 Harrison Road, the Group's headquarters building.

Lian Beng Group Ltd was listed on the Main Board of the Singapore Exchange in 1999.

For more information, please visit <http://www.lianbeng.com.sg>.

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Issued for and on behalf of Lian Beng Group Ltd

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